





## **Old Year Payments**

 For goods or services received, or benefits delivered prior to July 1.



### **New Year Payments**

 For goods or services received, or benefits delivered after <u>June</u> <u>30</u>.

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# Old Year Payment Cut-Off Dates

- July 29 Recommended date to have all Old Year payments in FINET completed.
- Old Year payments must be processed by August 12.

Way to Record a Transaction

How to Determine the Correct

Goods or Services	Payment Made <b>Prior to</b> July 1	Payment Made <b>After</b> June 30
Received <b>Prior to</b> July 1	Old Year Expenditure  Old Year GAX or PRC	Old Year Expenditure Old Year GAX or PRC or New Year GAX or PRC and Accrued Expenditure JVYE
Received <b>After</b> June 30	New Year Expenditure Old Year GAX or PRC and Prepaid Expenditure JVYE	New Year Expenditure  New Year GAX or PRC  6



### **Old Year Payment Procedures**

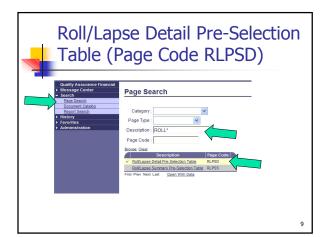
- Remember to enter accounting period and fiscal year 2010 to record transaction in Old Year.
- July 1 through July 8 enter Period 12. July 1 to August 12 enter Period 13.

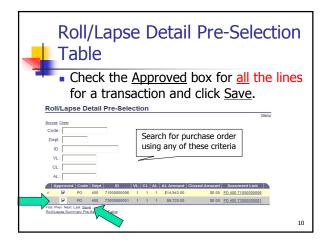


## New Year Payments for Purchase Documents in Old Year

- Mark purchase document to roll into New Year on the Roll/Lapse Detail Pre-Selection Table (page code RLPSD).
- Process payment in New Year after purchase document has rolled.

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# Roll/Lapse Detail Pre-Selection Table Dates

- July 1 afternoon
   – May begin checking transactions on table.
- Roll process will run every Thursday through August 26. First roll on July 1.
- July 6 Start entering New Year payments on rolled Old Year documents.



# Roll/Lapse Detail Pre-Selection Table

- Only need to roll PO, PD, DO, and GAE transactions need to pay in the New Year.
- All others will be lapsed on August 31



## Roll/Lapse Detail Pre-Selection Table Schedule

- The Pre-Selection Table will be refreshed on Tuesday of each week. An email will be sent out notifying users when able to start marking transactions
- Users may select transactions to roll Tuesday to end of week.

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## Roll/Lapse Detail Pre-Selection Table Schedule

- Mondays are reserved for Finance and Agencies to clear all rejected rolled documents. Rejects need to be resolved or will reappear on table. <u>Do not mark orders on</u> Mondays
- Do not access table until notified the table is ready on Tuesday.

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## Roll/Lapse Detail Pre-Selection Table

- Early in July only roll orders with known delivery dates after June 30
- Do not roll if any portion of the purchase order is to be paid in Old Year or has Old Year payments pending
- When in doubt, <u>do not roll</u>. There is no unroll.

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## Roll/Lapse Detail Pre-Selection Table

- Payments must be made in correct fiscal year based on delivery date, regardless of fiscal year of order.
- If rolled order prematurely in New Year - cancel or modify New Year order and recreate order in Old Year
- If order is lapsed in error create a New Year order.

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#### Question

A vendor sends you an invoice on July 21 for goods received on June 26. The purchase document was done in Old Year. How do you pay this?

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#### **Answer**

This is an Old Year payment.
 Process a payment entering
 Period 13 and Fiscal Year 2010
 and so it will process in Old
 Year.



### Question

A vendor sends you an invoice on July 11 for goods received on July 2. The purchase document was entered in Old Year. How do you pay this?



#### Answer

This is a New Year expenditure. Find the Old Year purchase document on the Roll/Lapse Detail Pre-Selection Table and check the Approved box for all the transaction lines & click save.

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#### Answer - continued

 After the roll process is run, process a payment in New Year referencing the rolled purchase document in the New Year.



### **Accrued Expenditures**

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## Accrued Expenditure JVYE Transactions

 Used to record Old Year expenditures (for goods or services received on or before June 30) unable to pay in Old Year by the cut-off date of August 12.



## Accrued Expenditure JVYE Transactions

Moves expenditure from New Year to Old Year by recording expenditure and liability in Old Year and reversing in New Year to offset the payment entered in New Year.



- Must be completed and processed in FINET by August 12.
- Exception For Old Year taxable earnings paid through payroll - must use after July 14

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- Form must be prepared for all Accrued Expenditure JVYE Transactions.
- Fill out form and attach to payment documentation.

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## Accrued Expenditure JVYE - Form FI 61AE

 The forms are an Excel spreadsheet which may be filled out on the computer and printed.

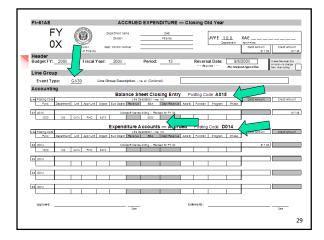
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## Accrued Expenditure JVYE - Form FI 61AE

- The form is available on the Division of Finance's website at: www.finance.utah.gov Select Forms icon.
- Also in Forms packet distributed at BAO Year end Meeting.

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### Question

A vendor sends you an invoice on August 8 for goods received on June 26. The purchase document was issued in Old Year. How do you pay this?



#### Answer

- This is an old year expenditure.
- It is also after the recommended Old Year payment cut off date.
- However, you can still pay in Old Year until August 12.

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### Answer - continued

If you choose <u>not</u> to pay in Old Year:

- Roll the purchase document into New Year.
- Enter a payment in New Year.

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### Answer - continued

 Complete an Accrued Expenditure JVYE by August 12 to move the payment in New Year back to the Old Year.

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### Question

A vendor has sent you an invoice on August 9 for goods received on June 26 and July 26. How do you pay this?

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#### Answer

 Split out the invoice between what was received in the Old Year and what was received in the New Year.

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#### Answer - continued

- Either pay Old Year portion in Old Year and the New Year portion in New Year.
- Or pay all in New Year and process an Accrued Expenditure JVYE for the Old Year portion.



#### Question

You have received goods on June 26 for which the vendor has <u>not billed you</u> by August 12, the final old year cut off date. What do you do for this?



#### Answer

- This is an Old Year expenditure.
- Enter an Accrued Expenditure
   JVYE by August 12 for these
   goods to record the expenditure
   in the Old Year.

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## Accrue All Known Old Year Expenditures

 Agencies should make every effort to identify and accrue all known Old Year expenditures during the closeout period.



# Accrue All Known Old Year Expenditures

- This may require working with vendors to estimate the amount due to them,
- To ensure invoices are received in a timely manner, and
- To properly identify the portion of goods or services received in each fiscal year.

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### Question

A vendor has sent you an invoice on September 2 for goods received on June 26. The purchase document was issued in Old Year. How do you pay this?



#### Answer

- This is an Old Year expenditure received after the Old Year final cut off date.
- An Accrued Expenditure JVYE should already have been entered by August 12 for this.



#### Answer - continued

- The purchase document should also already been marked and rolled to New Year.
- If so, process a payment in the New Year referencing the rolled purchase transaction.



## Answer - continued

If you did not roll this Old Year purchase transaction to the New Year, a new document will need to entered because all Old Year purchase orders not checked to roll were lapsed on August 31.



#### Answer - continued

- If you did not do an Accrued Expenditure JVYE for this:
- If have Old Year transactions over \$100,000 – Notify Marcie Handy
- Pay in New Year according to accounting policy FIACCT 05-16.01.



### Accounting policy FIACCT 05-16.01

Send a copy of the payment document done in New Year, the invoice, and other supporting documentation to Division of Finance Disbursements.



### Accounting policy FIACCT 05-16.01

- Mark all documents "Old Year" and "copy" and write the appropriation line item number on the first page.
- This assumes that you have not exceeded your appropriation for the Old Year.



## **Prepaid Expenditures**



### Prepaid Expenditure JVYE

- Used when New Year expenditures must be paid before July 1.
- Charges due July 1 should NOT be prepaid, but scheduled to pay July 1 -will print and mail July 6.

(Due to holiday on July 5 this year)



### Prepaid Expenditure JVYE

Moves expenditure from Old Year to New Year by crediting expenditure entered in Old Year and reversing in New Year to record the expenditure.

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### **Prepaid Expenditures**

- Also includes services paid in Old Year where the service period <u>begins</u> in the Old Year and extends into the New Year.
- Examples: Maintenance contracts, software licenses, subscriptions, and insurance.

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### **Prepaid Expenditures**

- In governmental funds These items have not been recorded in the past in accordance with GAAP and Division of Finance policy
- May need to be reported as required by GASB 34 in the CAFR government-wide statements.

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#### **Prepaid Expenditures**

 Governmental Fund Agencies –
 Need to report to Marcie Handy by August 12 these types of items totaling over \$100,000 for your agency.



### **Prepaid Expenditures**

 Enterprise, Trust, and Internal Service Funds - Record these types of items as prepaid expenses and amortize the cost over the service period.

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## Prepaid Expenditure JVYE Form FI 61PE

- Form must be prepared for all Prepaid Expenditure JVYE Transactions.
- Fill out form and attach to payment documentation.

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## Prepaid Expenditure JVYE - Form FI 61PE

- The form is available on the Division of Finance's website at: www.finance.utah.gov select Forms icon.
- Also in Forms packet distributed at BAO Year end Meeting.

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## Prepaid Expenditure JVYE Cut Off Dates

- Prepaid Expenditure JVYE transactions must be entered after June 30.
- All Prepaid Expenditure JVYE transactions must be entered by August 12.

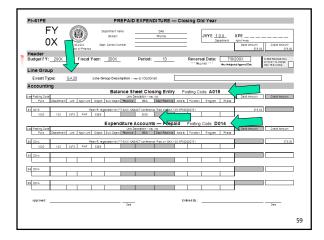
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## Prepaid Expenditure JVYE Cut Off Dates

 Remember to track New Year expenditures entered <u>on or</u> <u>before</u> June 30 to be sure a Prepaid Expenditure JVYE is done for them <u>after</u> June 30.

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### Question

• An employee is traveling to a conference on July 6. The airline tickets and registration fees must be paid by June 20. How do you pay this?



#### Answer

- This is a New Year expenditure that must be paid in Old Year.
- Process the payment by June date due.

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#### Answer

 Make reminder note to enter a Prepaid Expenditure JVYE <u>after</u> June 30 but before August 12 to move the expenditure to New Year.

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### **Petty Cash Cutoff**

- Payments for purchases made before July 1 record in Old Year
- Do not combine Old and New Year reimbursements on the same FI53 Petty Cash Reimbursement Request form
- Complete Old Year petty cash reimbursements by July 22

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#### ITI/ITA & IET Cutoff Dates

- July 8 First deadline to complete Old Year inter-agency ITI/ITAs and IETs.
- The posting date interval for all Old Year ITAs processed after June 30 will decrease until July 26

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#### ITI/ITA & IET Cutoff Dates

- Process Old Year ITI/ITA and IETs after July 8 only if:
- (1) Affects units within same line item of a department or
- (2) Seller notifies the Buyer's main budget & accounting officer and they agree to accept the charge.

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#### ITI/ITA Cutoff Dates

- July 26 Final Deadline to complete all Old Year ITI/ITAs between agencies
- August 12 Deadline for all Old Year transactions within the same agency

